

**WARNING LETTER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 21, 1996

Mr. John Donahue
General Manager
Unocal Corporation
PO Box 196247
Anchorage, AK 99519-6247

CPF No. 56708

Dear Mr. Donahue:

On September 18 and 19, 1996, a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of Unocal Corporation (Unocal) records at your Kenai, Alaska office. The OPS representative inspected the pipeline facilities that Unocal operates between the Granite Point Field platforms and the Granite Point Tank Farm. These low stress hazardous liquid pipelines came under OPS jurisdiction on August 11, 1994, and were required to be in full compliance by July 12, 1996 as per Title 49, Code of Federal Regulations, Part 195.

As a result of the inspection, it appears that Unocal has committed probable violations as noted below of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

- 1) §195.402(d) requires that each operator have written procedures to provide safety when normal design limits have been exceeded. These abnormal operation procedures must include responding to, investigating, and correcting the cause of increases or decreases in pressure flow rate outside normal operating limits.**

Unocal abnormal operation procedures in each Pipeline Specific Operations Manual (PSOM) are inadequate. The procedures do not address freeze up of each platform's primary oil lines, an event known to happen on occasion in Cook Inlet. Unocal's operating procedures must include methods for investigating pipeline freeze up, securing the plugged oil line, safely bringing the gas pipeline into crude oil transportation service, and returning the oil line to service in a timely manner.

- 2) **§195.402(f) requires the procedural manual for operations, maintenance, and emergencies to include instructions that enable operation and maintenance personnel to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirement of §195.55**

The reporting procedures provided in the Pipeline Specific Operations Manuals (PSOM) are inadequate. They do not include information on recognizing safety-related conditions or who is responsible for reporting safety-related conditions. The procedures do not differentiate between reporting safety-related conditions and accidents reportable under §195.50. Accidents under §195.50 must be telephonically reported to the National Response Center and/or in writing to the Department of Transportation on a DOT Form 7001.

The Core Unocal Operations and Maintenance plan has adequate recognition and reporting procedures, but there was no cross reference between the PSOM and the Unocal Core Plan. The core plan also states that the Asset Manager is responsible for reporting requirements, however, there was no one designated as the Asset Manager in any of the PSOMs. Clear reporting procedures, including designation of the Asset Manager, must be provided in the PSOMs.

- 3) **§195.403 (a) requires that each operator establish and conduct a training program to instruct operating and maintenance personnel to: (1) carry out the operating and maintenance, and emergency procedures established under §195.402 that relates to their assignments.**

The Unocal training module on the operation, maintenance and emergency procedure manual is inadequate for Unocal personnel. Section Number 9.11, Pipeline Operations Manual of the Unocal training curriculum does not provide instruction and practice to ensure that scheduled maintenance is implemented correctly. The training manual must be expanded to include pipeline maintenance training in accordance with the requirements of Part 195.

- 4) **§ 195.428 requires that each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief device, pressure regulator or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability for the service in which it is used.**

Unocal was unable to provide evidence during our field inspection that the natural gas pipelines have overpressure protection when the platforms buy back gas from Marathon's onshore, high pressure, gas pipeline. If Unocal wants to readily convert their natural gas pipelines to crude oil service, they must ensure that the gas pipeline maintains adequate overpressure protection along all segments of the line. Overpressure protection devices must be provided for, identified, and maintained in accordance with §195.428.

- 5) **§195.420(a) requires each operator to maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times, and §195.420(b) requires each operator at intervals not exceeding 7 ½ months, but at least twice each calendar year, to inspect each mainline valve to determine that it is functioning properly.**

Unocal did not identify the valves associated with the pig launchers and receivers as requiring periodic inspection in accordance with §195.420. The scraper and sphere facilities are an integral part of the pipeline system. Therefore the valves to safely operate these devices in accordance with §195.426 must be identified in Unocal's periodic maintenance list and inspected at the required semiannual intervals.

Under 49 United States Code § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved for violation number 4 and have decided not to assess a civil penalty. We advise you however that should you not correct the circumstances leading to the violation, we will take enforcement action when and if the this violation comes to our attention.

In regard to violation items numbered 1, 2, 3, and 5, relating to your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing to you a Notice of Amendment requiring that your procedures be amended to comply with the requirements of the regulations referenced.

As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. Enclosed, is a description of the available procedures for responding to this Notice. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your existing plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. §190.237. If you do not wish to contest this notice, please provide your revised procedures for our review and approval within 30 days of receipt of this notice.

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When appropriate procedures have been prepared, submit them to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 W. Colfax Avenue, Suite A-250, Lakewood, Colorado 80215. Please refer to CPF No. 56708 in any correspondence or communication on this matter.

Sincerely,

Edward J. Ondak
Director

Enclosure

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